

ASSEMBLY BILL

No. 292

Introduced by Assembly Member Yamada

February 13, 2009

An act to amend Sections 18761, 18765, and 18766 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 292, as introduced, Yamada. Personal income taxes: contributions: Alzheimer's disease.

The Personal Income Tax Law allows taxpayers, until January 1, 2010, to contribute amounts in excess of their tax liability for the support of the California Alzheimer's Disease and Related Disorders Research Fund.

This bill would extend the operation of those contribution provisions to January 1, 2015.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 18761 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 18761. The Legislature finds and declares all of the following:
- 4 (a) Alzheimer's disease and related dementia disorders are
- 5 devastating health conditions that cause a loss of intellectual
- 6 functioning so severe that they interfere with an individual's daily
- 7 functioning and eventually result in death. These conditions affect
- 8 ~~10 percent of Californians over the age of 65 years and 50 percent~~

1 of Californians who are 85 years of age or older. They cause serious
2 financial, social, and emotional hardships on those affected and
3 on their family caregivers.

4 (b) ~~The total annual cost of caring for individuals with~~
5 ~~Alzheimer's disease and other dementia disorders in California is~~
6 ~~over \$10 billion. These conditions cost California businesses \$3.3~~
7 ~~billion annually, most of which is due to the lost productivity of~~
8 ~~family caregivers. Approximately 50 percent of all nursing home~~
9 ~~admissions in California are attributable to Alzheimer's disease~~
10 ~~and related dementia disorders. Between 2008 and 2030 there will~~
11 ~~be a doubling in the number of Californians living with Alzheimer's~~
12 ~~disease. In this same period, there is expected to be a tripling in~~
13 ~~the number of California's Latinos and Asians with this disease.~~

14 (c) *Among California's baby boomers 55 years of age and older,*
15 *their lifetime risk for developing Alzheimer's disease is one in*
16 *eight.*

17 (d) *Alzheimer's disease is now the sixth leading cause of death*
18 *in California.*

19 (e) *Families provide almost three-quarters of the value of care*
20 *for individuals living with Alzheimer's disease in the community*
21 *and in facilities, amounting to approximately \$72.7 billion dollars*
22 *out of an estimated total cost of \$104 billion dollars. These family*
23 *caregivers are more likely to experience financial hardship, health*
24 *difficulties, and a negative impact on their ability to work outside*
25 *the home.*

26 (f) *The cost to the Medi-Cal program for an individual with*
27 *Alzheimer's disease or a related dementia is two and one-half*
28 *times greater than the cost for an individual without a diagnosis*
29 *of dementia.*

30 (e)

31 (g) *While scientists have made great strides in understanding*
32 *Alzheimer's disease and other causes of dementia, there is no*
33 *known prevention or cure at this time.*

34 (d)

35 (h) *It is the intent of the Legislature, in enacting this article, to*
36 *establish a systematic program for the conduct of research*
37 *regarding the cause, prevention, diagnosis, cure, and treatment of*
38 *Alzheimer's disease and related disorders. The outcome of this*
39 *research may have direct effects and consequences on the*
40 *development of a comprehensive system that will provide*

1 diagnoses and treatment to victims of those health problems. This
2 program shall award grants to eligible physicians, hospitals,
3 laboratories, educational institutions, and other organizations and
4 persons for the purpose of enabling those organizations and persons
5 to conduct research.

6 SEC. 2. Section 18765 of the Revenue and Taxation Code is
7 amended to read:

8 18765. All money transferred to the California Alzheimer's
9 Disease and Related Disorders Research Fund, upon appropriation
10 by the Legislature, shall be allocated as follows:

11 (a) To the Franchise Tax Board and the Controller for
12 reimbursement of all costs incurred by the Franchise Tax Board
13 and the Controller in connection with their duties under this article.

14 (b) To the appropriate state department as established by the
15 Secretary of ~~the Health and Welfare Agency~~ *California Health*
16 *and Human Services* in consultation with the *California*
17 Department of Aging, and any others which the secretary deems
18 appropriate. These funds shall be expended for the purpose of
19 conducting research relating to the care, treatment, and the cure
20 of Alzheimer's disease through contracts or grants developed and
21 awarded as determined by the Secretary of ~~the Health and Welfare~~
22 ~~Agency~~ *California Health and Human Services*, in consultation
23 with the *California* Department of Aging and any others which
24 the secretary deems appropriate.

25 SEC. 3. Section 18766 of the Revenue and Taxation Code is
26 amended to read:

27 18766. (a) This article shall remain in effect only until January
28 1, ~~2010~~ 2015, and as of that date is repealed, unless a later enacted
29 statute, which is enacted before January 1, ~~2010~~ 2015, deletes that
30 date.

31 (b) (1) By September 1, ~~2006~~ 2010, and by September 1 of
32 each subsequent calendar year that the California Alzheimer's
33 Disease and Related Disorders Research Fund appears on a tax
34 return, the Franchise Tax Board shall do all of the following:

35 (A) Determine the minimum contribution amount required to
36 be received during the next calendar year for the fund to appear
37 on the tax return for the taxable year that includes that next calendar
38 year.

1 (B) Provide written notification to the Secretary of California
2 Health and Human Services of the amount determined in
3 subparagraph (A).

4 (C) Determine whether the amount of contributions estimated
5 to be received during the calendar year will equal or exceed the
6 minimum contributions amount determined by the Franchise Tax
7 Board for the calendar year pursuant to subparagraph (A). The
8 Franchise Tax Board shall estimate the amount of contributions
9 to be received by using the actual amounts received and an estimate
10 of the contributions that will be received by the end of that calendar
11 year.

12 (2) If the Franchise Tax Board determines that the amount of
13 contributions estimated to be received during a calendar year will
14 not at least equal the minimum contribution amount for the calendar
15 year, this article is repealed with respect to taxable years beginning
16 on or after January 1 of that calendar year.

17 (3) For purposes of this section, the minimum contribution
18 amount for a calendar year means two hundred fifty thousand
19 dollars (\$250,000) for the 2000 calendar year or the minimum
20 contribution amount adjusted pursuant to subdivision (c).

21 (c) For each calendar year, beginning with calendar year 2001,
22 the Franchise Tax Board shall adjust, on or before September 1 of
23 that calendar year, the minimum contribution amount specified in
24 subdivision (b) as follows:

25 (1) The minimum contribution amount for the calendar year
26 shall be an amount equal to the product of the minimum
27 contribution amount for the prior calendar year multiplied by the
28 inflation factor adjustment as specified in paragraph (2) of
29 subdivision (h) of Section 17041, rounded off to the nearest dollar.

30 (2) The inflation factor adjustment used for the calendar year
31 shall be based on the figures for the percentage change in the
32 California Consumer Price Index received on or before August 1
33 of the calendar year pursuant to paragraph (1) of subdivision (h)
34 of Section 17041.

35 (d) Notwithstanding the repeal of this article, any contribution
36 amounts designated pursuant to this article prior to its repeal shall
37 continue to be transferred and disbursed in accordance with this
38 article as in effect immediately prior to that repeal.

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